

AMENDED IN SENATE APRIL 14, 1997

**SENATE BILL**

**No. 919**

**Introduced by Senator Rainey**

February 27, 1997

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An act to amend Section 4000 of the Elections Code, ~~and~~ to add Article 4.3 (commencing with Section 53739) and Article 4.6 (commencing with Section 53750) to Chapter 4 of Part 1 of Division 2 of Title 5 of, the Government Code, *and to amend Section 9525 of the Streets and Highways Code*, relating to local government taxes, ~~changes, and assessments~~ *changes and assessments, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 919, as amended, Rainey. Local government taxes, fees, assessments, and charges.

Article XIII C of the Constitution generally requires a majority vote of the electorate for a local government to impose, extend, or increase any general tax and a  $\frac{2}{3}$  vote of the electorate to impose, extend, or increase any special tax and permits the use of the initiative to affect local taxes, assessments, fees, and charges. Article XIII D of the Constitution generally requires that assessments, fees, and charges be submitted to property owners for approval or rejection after *the provision of written notice and the holding of a public hearing.*

This bill would *enact the Proposition 218 Omnibus Implementation Act to prescribe the specific procedures and parameters for local government to present an ordinance or*

~~resolution for voter approval to impose or increase tax rates or amounts pursuant to those constitutional provisions and the time period to challenge the validity of a tax jurisdictions in complying with Article XIII C and Article XIII D of the Constitution.~~

~~The bill would specify how the constitutional requirements apply to ongoing annual assessments with specified exceptions.~~

*This bill would declare that it is to take effect immediately as an urgency statute.*

Vote: ~~majority~~<sup>2/3</sup>. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 ~~SECTION 1. Section 4000 of the Elections Code is~~

2 *SECTION 1. This act shall be entitled the Proposition*  
3 *218 Omnibus Implementation Act.*

4 *SEC. 2. Section 4000 of the Elections Code is amended*  
5 *to read:*

6 4000. Any local, special, or consolidated election may  
7 be conducted wholly by mail provided that all of the  
8 following conditions apply:

9 (a) The governing body of the local agency authorizes  
10 the use of mailed ballots for the election.

11 (b) The election does not occur on the same date as a  
12 statewide direct primary election or statewide general  
13 election.

14 (c) The election is one of the following:

15 (1) An election in which no more than 1,000 registered  
16 voters are eligible to participate.

17 (2) A maximum property tax rate election as provided  
18 for in Section 2287 of the Revenue and Taxation Code.

19 (3) An election on a measure or measures restricted to  
20 (A) the imposition of special taxes, or (B) expenditure  
21 limitation overrides, or (C) both (A) and (B), in a city,  
22 county, or special district with 5,000 or less registered  
23 voters calculated as of the time of the last report of  
24 registration by the county elections official to the  
25 Secretary of State.

(4) An election on the issuance of a general obligation water bond in accordance with Section 12944.5 of the Water Code.

(5) An election of the Directors of the Monterey Peninsula Water Management District as authorized in Section 122 of Chapter 527 of the Statutes of 1977, known as the Monterey Peninsula Water Management District Law.

(6) An election of the Aliso Water Management Agency, or its affected member agencies, pursuant to Sections 13416 and 13417 of the Water Code.

(7) An election of the San Jacinto Mountain Area Water Study Agency pursuant to Sections 13416 and 13417 of the Water Code.

(8) An election of the San Lorenzo Valley Water District pursuant to Sections 13416 and 13417 of the Water Code.

(9) *Any election or assessment ballot proceeding required or authorized by Article XIII C or Article XIII D of the Constitution. However, when an assessment ballot proceeding is conducted by mail pursuant to this section, the following rules shall apply:*

*(A) The proceeding shall be denominated an "assessment ballot proceeding" rather than an election.*

*(B) Ballots shall be denominated "assessment ballots."*

*(C) The provisions of this code regarding the secrecy of ballots shall not apply, and assessment ballots shall be deemed public records as that term is defined by Section 6252 of the Government Code.*

*SEC. 3. Article 4.3 (commencing with Section 53739) is added to Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code, to read:*

*Article 4.3. Local Levies*

*53739. (a) An ordinance or resolution presented for voter approval pursuant to this article or to Article XIII C or Article XIII D of the Constitution may state a range of rates or amounts. If the ordinance or resolution is approved by the requisite number of votes at an election*

1 held for that purpose, the governing board of the  
2 adopting local government may thereafter impose the  
3 tax, assessment, or property-related fee or charge at any  
4 rate or amount that is less than or equal to the maximum  
5 amount authorized by the voter-approved ordinance or  
6 resolution.

7 SEC. 4. Article 4.6 (commencing with Section 53750)  
8 is added to Chapter 4 of Part 1 of Division 2 of Title 5 of  
9 the Government Code, to read:

10  
11 Article 4.6. Proposition 218 Omnibus Implementation  
12 Act  
13

14 53750. For purposes of Article XIII C and Article  
15 XIII D of the California Constitution and this article:

16 (a) "Agency" means any local government as defined  
17 in subdivision (b) of Section 1 of Article XIII C of the  
18 California Constitution.

19 (b) "Assessment" means any levy or charge by an  
20 agency upon real property that is based upon the special  
21 benefit conferred upon the real property by a public  
22 improvement or service, that is imposed to pay the capital  
23 cost of the public improvement, the maintenance and  
24 operation expenses of the public improvement, or the  
25 cost of the service being provided. "Assessment"  
26 includes, but is not limited to, "Special Assessment,"  
27 "Benefit Assessment," "Maintenance Assessment," and  
28 "Special Assessment Tax."

29 (c) "District" means an area that is determined by an  
30 agency to contain all of the parcels that will receive a  
31 special benefit from a proposed public improvement or  
32 service.

33 (d) "Drainage system" means any system of public  
34 improvements that is intended to provide for erosion  
35 control, landslide abatement, or for other types of water  
36 drainage.

37 (e) "Extended," when applied to an existing tax or fee  
38 or charge, means a decision by an agency to extend the  
39 stated effective period for the tax or fee or charge,

1 including, but not limited to, amendment or removal of  
2 a sunset provision or expiration date.

3 (f) “Flood control” means any system of public  
4 improvements that is intended to protect property from  
5 overflow by water.

6 (g) “Identified parcel” means a parcel of real property  
7 that an agency has identified as having a special benefit  
8 conferred upon it and upon which a proposed assessment  
9 is to be imposed, or a parcel of real property upon which  
10 a proposed property-related fee or charge is proposed to  
11 be imposed.

12 (h) “Notice by mail” means any notice required by  
13 Article XIII C or Article XIII D of the California  
14 Constitution that is accomplished through a mailing,  
15 postage prepaid, deposited in the United States Postal  
16 Service and is deemed given when so deposited. Notice  
17 by mail may be included in any other mailing to the  
18 record owner that otherwise complies with Article XIII C  
19 or Article XIII D of the California Constitution and this  
20 Article, including, but not limited to, the mailing of a bill  
21 for the collection of an assessment or a property-related  
22 fee or charge.

23 (i) “Record owner” means the owner of a parcel  
24 whose name and address appears on the last equalized  
25 secured property tax assessment roll, or in the case of any  
26 public entity, the State of California, or the United States,  
27 means the representative of that public entity at the  
28 address of that entity known to the agency.

29 (j) “Refuse collection services” means any system for  
30 the collection, transfer, storage, and disposal of solid  
31 waste that is provided by an agency. For purposes of this  
32 subdivision, “solid waste” includes, but is not limited to,  
33 materials that can be, or are intended to be, recycled,  
34 reclaimed, salvaged, or reused.

35 (k) “Registered professional engineer” means an  
36 engineer registered pursuant to the Professional  
37 Engineers Act (Chapter 7 (commencing with Section  
38 6700) of Division 3 of the Business and Professions Code).

39 (l) “Vector control” means any system of public  
40 improvements or services that is intended to provide for

1 *the surveillance and control of vectors as defined in*  
2 *subdivision (f) of Section 2200 of the Health and Safety*  
3 *Code.*

4 (m) “Water” means any system of public  
5 improvements intended to provide for the production,  
6 storage, supply, treatment, or distribution of water.

7 53753. (a) The notice, protest, and hearing  
8 requirements imposed by this section supersede any  
9 statutory provisions applicable to the levy of a new or  
10 increased assessment that is in existence on the effective  
11 date of this section, whether or not that provision is in  
12 conflict with this article. Any agency that complies with  
13 the notice, protest, and hearing requirements of this  
14 section shall not be required to comply with any other  
15 statutory notice, protest, and hearing requirements that  
16 would otherwise be applicable to the levy of a new or  
17 increased assessment, with the exception of Division 4.5  
18 (commencing with Section 3100) of the Streets and  
19 Highways Code. If the requirements of that division  
20 apply to the levy of a new or increased assessment, the  
21 levying agency shall comply with the notice, protest, and  
22 hearing requirements imposed by this section as well as  
23 with the requirements of that division.

24 (b) Prior to levying a new or increased assessment, an  
25 agency shall give notice by mail to the record owner of  
26 each identified parcel. Each notice shall include the total  
27 amount of the proposed assessment chargeable to the  
28 entire district, the amount chargeable to the record  
29 owner’s parcel, the duration of the payments, the reason  
30 for the assessment and the basis upon which the amount  
31 of the proposed assessment was calculated, and the date,  
32 time, and location of a public hearing on the proposed  
33 assessment. Each notice shall also include, in a  
34 conspicuous place thereon, a summary of the procedures  
35 for the completion, return, and tabulation of the  
36 assessment ballots required pursuant to subdivision (c),  
37 including a disclosure statement that the existence of a  
38 majority protest, as defined in subdivision (e), will result  
39 in the assessment not being imposed or increased. An  
40 agency shall give notice by mail at least 45 days prior to

1 the date of the public hearing upon the proposed  
2 assessment.

3 (c) Each notice given pursuant to subdivision (b) shall  
4 contain an assessment ballot that includes the agency's  
5 address for receipt of the form and a place where the  
6 person returning the assessment ballot may indicate his  
7 or her name, a reasonable identification of the parcel, and  
8 his or her support or opposition to the proposed  
9 assessment. Each assessment ballot shall be signed and  
10 either mailed or otherwise delivered to the address  
11 indicated on the assessment ballot. Regardless of the  
12 method of delivery, all assessment ballots shall be  
13 received at the address indicated, or the site of the public  
14 testimony, in order to be included in the tabulation of a  
15 majority protest pursuant to subdivision (e). An  
16 assessment ballot may be submitted, changed, or  
17 withdrawn prior to the conclusion of the public testimony  
18 on the proposed assessment at the hearing. An agency  
19 may provide an envelope for the return of the assessment  
20 ballot. All assessment ballots submitted to the agency  
21 constitute public records subject to inspection pursuant  
22 to the California Public Records Act Chapter 3.5  
23 (commencing with Section 6250) of Division 7 of Title 1  
24 of the Government Code.

25 (d) At the time, date, and place stated in the notice  
26 mailed pursuant to subdivision (b), the agency shall  
27 conduct a public hearing upon the proposed assessment.  
28 At the public hearing, the agency shall consider all  
29 objections or protests, if any, to the proposed assessment.  
30 At the public hearing, any interested person shall be  
31 permitted to present written or oral testimony. The  
32 public hearing may be continued from time to time.

33 (e) (1) At the conclusion of the public hearing  
34 conducted pursuant to subdivision (d), the agency shall  
35 tabulate the assessment ballots submitted, and not  
36 withdrawn, in support of or opposition to the proposed  
37 assessment. The agency may use technological methods  
38 of tabulating the assessment ballots, including, but not  
39 limited to, punch card or optically readable (bar-coded)  
40 assessment ballots.

1     *In the event that more than one of the record owners*  
2     *of an identified parcel submits an assessment ballot, the*  
3     *amount of the proposed assessment to be imposed upon*  
4     *the identified parcel shall be allocated to each ballot*  
5     *submitted in proportion to the respective record*  
6     *ownership interests or, if the ownership interests are not*  
7     *shown of record, as established to the satisfaction of the*  
8     *agency by documentation provided by those record*  
9     *owners.*

10    (2) *A majority protest exists if the assessment ballots*  
11    *submitted, and not withdrawn, in opposition to the*  
12    *proposed assessment exceed the assessment ballots*  
13    *submitted, and not withdrawn, in its favor; weighting*  
14    *those assessment ballots by the amount of the proposed*  
15    *assessment to be imposed upon the identified parcel for*  
16    *which each assessment ballot was submitted.*

17    (3) *If there is a majority protest against the imposition*  
18    *of a new assessment, or the extension of an existing*  
19    *assessment, or an increase in an existing assessment, the*  
20    *agency shall not impose, extend, or increase the*  
21    *assessment.*

22    (4) *The majority protest proceedings described in this*  
23    *subdivision shall not constitute an election or voting for*  
24    *purposes of Article II of the California Constitution or of*  
25    *the California Elections Code.*

26    53753.5. (a) *Once an agency has complied with the*  
27    *notice, protest, and hearing requirements of Section*  
28    *53753, those requirements shall not apply in subsequent*  
29    *fiscal years unless the assessment methodology is changed*  
30    *to increase the assessment, or the amount of that*  
31    *assessment is proposed to exceed an assessment formula*  
32    *or range of assessments adopted by an agency in*  
33    *accordance with Article XIII D of the California*  
34    *Constitution or Section 53753.*

35    (b) *Notwithstanding subdivision (a), the following*  
36    *assessments existing on the effective date of Article*  
37    *XIII D of the California Constitution shall be exempt*  
38    *from the procedures and approval process set forth in*  
39    *Section 4 of that article:*



1     (1) Any assessment imposed exclusively to finance the  
2 capital costs or maintenance and operation expenses for  
3 sidewalks, streets, sewers, water, flood control, drainage  
4 systems, or vector control.

5     (2) Any assessment imposed pursuant to a petition  
6 signed by the persons owning all of the parcels subject to  
7 the assessment at the time the assessment is initially  
8 imposed.

9     (3) Any assessment the proceeds of which are  
10 exclusively used to repay bonded indebtedness of which  
11 the failure to pay would violate the Contract Impairment  
12 Clause of the Constitution of the United States.

13     (4) Any assessment that previously received majority  
14 voter approval from the voters voting in an election on  
15 the issue of the assessment.

16 Any subsequent increases in an assessment listed in  
17 paragraphs (1), (2), or (4) shall be subject to the  
18 procedures and approval process set forth in Section 4 of  
19 Article XIII D of the California Constitution.

20     (c) For purposes of this section, the following words  
21 and phrases shall have the following meanings:

22     (1) “Assessments existing on the effective date of  
23 Article XIII D of the California Constitution” means  
24 assessments levied by the legislative body of the agency  
25 on or before November 6, 1996.

26     (2) “Procedures and approval process set forth in  
27 Section 4 of Article XIII D” means all of the requirements  
28 set forth in Section 4 of Article XIII D of the California  
29 Constitution, including, but not limited to, the  
30 requirement to separate general and special benefits and  
31 the requirement to assess parcels that are owned or used  
32 by an agency, the State of California, or the United States  
33 of America.

34     SEC. 5. Section 9525 of the Streets and Highways  
35 Code is amended to read:

36     9525. (a) If the legislative body finds that all of the  
37 following conditions are satisfied, it may approve and  
38 confirm the report prepared pursuant to Section 9523 and  
39 proceed to authorize, issue, and sell refunding bonds  
40 pursuant to Chapter 3 (commencing with Section 9600):

1 ~~(a)~~

2 (1) That each estimated annual installment of  
3 principal and interest on the reassessment, as set forth  
4 pursuant to subdivision (d) of Section 9523, is less than the  
5 corresponding annual installment of principal and  
6 interest on the portion of the original assessment being  
7 superseded and supplanted, as set forth in subdivision (c)  
8 of Section 9523, by the same percentage for all  
9 subdivisions of land within the district. Any amount  
10 added to the annual installments on the reassessment due  
11 to a delinquency in payment on the original assessment  
12 need not be considered in this calculation.

13 ~~(b)~~

14 (2) That the number of years to maturity of all  
15 refunding bonds is not more than the number of years to  
16 the last maturity of the bonds being refunded.

17 ~~(c)~~

18 (3) That the principal amount of the reassessment on  
19 each subdivision of land within the district is less than the  
20 unpaid principal amount of the portion of the original  
21 assessment being superseded and supplanted by the same  
22 percentage for each subdivision of land within the  
23 district. Any amount added to a reassessment because of  
24 a delinquency in payment on the original assessment  
25 need not be considered in this calculation.

26 (b) Any reassessment that is approved and confirmed  
27 pursuant to this section shall not be deemed to be an  
28 assessment within the meaning of, and may be ordered  
29 without compliance with the procedural requirements  
30 of, Article XIII D of the Constitution.

31 SEC. 6. The provisions of this act are severable. In the  
32 event that any provision of this act is held to be invalid or  
33 unconstitutional by any court of competent jurisdiction,  
34 that holding shall not invalidate or render unenforceable  
35 any other provision of this act.

36 SEC. 7. The provisions of this act shall be liberally  
37 construed to effectuate its purposes of limiting local  
38 government revenue and enhancing taxpayer consent.

39 SEC. 8. This act is an urgency statute necessary for the  
40 immediate preservation of the public peace, health, or

1 safety within the meaning of Article IV of the  
2 Constitution and shall go into immediate effect. The facts  
3 constituting the necessity are:

4 The voters of California recently adopted Proposition  
5 218, "The Right to Vote on Taxes Act," which comprises  
6 Articles XIII C and XIII D of the Constitution. That  
7 proposition took effect on November 6, 1996, and certain  
8 of its provisions are effective on July 1, 1997. The  
9 proposition is inconsistent with numerous preexisting  
10 statutes affecting local government finance. It is  
11 necessary that this legislation take immediate effect to  
12 clarify the law so that local governments can adopt  
13 budgets for the 1997-98 fiscal year to provide essential  
14 local services in compliance with Proposition 218 without  
15 needless confusion, duplication of effort, and uncertainty.  
16 ~~amended to read:~~

17 ~~4000. Any local, special, or consolidated election may~~  
18 ~~be conducted wholly by mail provided that all of the~~  
19 ~~following conditions apply:~~

20 ~~(a) The governing body of the local agency authorizes~~  
21 ~~the use of mailed ballots for the election.~~

22 ~~(b) The election does not occur on the same date as a~~  
23 ~~statewide direct primary election or statewide general~~  
24 ~~election.~~

25 ~~(c) The election is one of the following:~~

26 ~~(1) An election in which no more than 1,000 registered~~  
27 ~~voters are eligible to participate.~~

28 ~~(2) A maximum property tax rate election as provided~~  
29 ~~for in Section 2287 of the Revenue and Taxation Code.~~

30 ~~(3) An election on a measure or measures restricted to~~  
31 ~~(A) the imposition of special taxes, or (B) expenditure~~  
32 ~~limitation overrides, or (C) both (A) and (B), in a city,~~  
33 ~~county, or special district with 5,000 or less registered~~  
34 ~~voters calculated as of the time of the last report of~~  
35 ~~registration by the county elections official to the~~  
36 ~~Secretary of State.~~

37 ~~(4) An election on the issuance of a general obligation~~  
38 ~~water bond in accordance with Section 12944.5 of the~~  
39 ~~Water Code.~~

1 ~~(5) An election of the Directors of the Monterey~~  
2 ~~Peninsula Water Management District as authorized in~~  
3 ~~Section 122 of Chapter 527 of the Statutes of 1977, known~~  
4 ~~as the Monterey Peninsula Water Management District~~  
5 ~~Law.~~

6 ~~(6) An election of the Aliso Water Management~~  
7 ~~Agency, or its affected member agencies, pursuant to~~  
8 ~~Sections 13416 and 13417 of the Water Code.~~

9 ~~(7) An election of the San Jacinto Mountain Area~~  
10 ~~Water Study Agency pursuant to Sections 13416 and 13417~~  
11 ~~of the Water Code.~~

12 ~~(8) An election of the San Lorenzo Valley Water~~  
13 ~~District pursuant to Sections 13416 and 13417 of the Water~~  
14 ~~Code.~~

15 ~~(9) Any election or majority protest proceeding~~  
16 ~~required or authorized by Article XIII C or Article XIII D~~  
17 ~~of the Constitution. However, when a majority protest~~  
18 ~~proceeding is conducted by mail pursuant to this section,~~  
19 ~~the following rules shall apply:~~

20 ~~(A) The proceeding shall be denominated a majority~~  
21 ~~protest proceeding rather than an election.~~

22 ~~(B) Ballots shall be denominated majority protest~~  
23 ~~forms.~~

24 ~~(C) The provisions of this code regarding the secrecy~~  
25 ~~of ballots shall not apply and majority protest forms shall~~  
26 ~~be deemed public records as that term is defined by~~  
27 ~~Section 6252 of the Government Code.~~

28 ~~SEC. 2. Article 4.3 (commencing with Section 53739)~~  
29 ~~is added to Chapter 4 of Part 1 of Division 2 of Title 5 of~~  
30 ~~the Government Code, to read:~~

31  
32 ~~Article 4.3. Limitations Period for Actions Challenging~~  
33 ~~a Tax~~  
34

35 ~~53739. Any action or proceeding challenging the~~  
36 ~~validity of a tax, whether general or special, imposed by~~  
37 ~~a local government shall be commenced no later than the~~  
38 ~~sooner of 30 days after the effective date of the tax or 40~~  
39 ~~days after the date voter approval of a tax is declared by~~  
40 ~~the governing board of the local government.~~

1 ~~53739.1. (a) An ordinance or resolution presented for~~  
2 ~~voter approval pursuant to this article or to Article XIII C~~  
3 ~~or Article XIII D of the Constitution may state a range of~~  
4 ~~rates or tax amounts. If such an ordinance is approved by~~  
5 ~~the requisite number of votes at an election held for that~~  
6 ~~purpose, then the governing board of the local~~  
7 ~~government may thereafter impose the tax at any rate or~~  
8 ~~amount that is less than or equal to the maximum amount~~  
9 ~~authorized by the voter-approved ordinance.~~

10 ~~(b) An ordinance or resolution presented for voter~~  
11 ~~approval pursuant to this article or to Article XIII C or~~  
12 ~~Article XIII D of the Constitution may provide that the~~  
13 ~~tax rate or tax rates or tax amount or tax amounts stated~~  
14 ~~in the ordinance or resolution may be adjusted for~~  
15 ~~inflation pursuant to a formula stated in the ordinance or~~  
16 ~~resolution. If such an ordinance is approved by the~~  
17 ~~requisite number of votes at an election held for that~~  
18 ~~purpose, then the governing board of the local~~  
19 ~~government may thereafter impose the tax at any rate or~~  
20 ~~amount that is less than or equal to the inflation-adjusted~~  
21 ~~maximum amount authorized by the voter-approved~~  
22 ~~ordinance.~~

23 ~~SEC. 3. Article 4.6 (commencing with Section 53750)~~  
24 ~~is added to Chapter 4 of Part 1 of Division 2 of Title 5 of~~  
25 ~~the Government Code, to read:~~

26  
27 ~~Article 4.6. Right to Vote on Taxes Omnibus~~  
28 ~~Implementation Act~~  
29

30 ~~53750. (a) The requirements of Articles XIII C and~~  
31 ~~XIII D of the Constitution shall apply to ongoing annual~~  
32 ~~assessments levied on or after July 1, 1997. Once an agency~~  
33 ~~has complied with the notice, protest, and hearing~~  
34 ~~requirements of Articles XIII C and XIII D, those~~  
35 ~~requirements shall not apply in subsequent fiscal years~~  
36 ~~unless the assessment methodology is changed or the~~  
37 ~~amount of the assessments is proposed to exceed an~~  
38 ~~assessment formula, including, but not limited to, a~~  
39 ~~formula providing for inflation adjustments, or range of~~

~~assessments adopted by the agency in accordance with Article XIII C or Article XIII D of the Constitution.~~

~~(b) (1) Notwithstanding subdivision (a), the following assessments existing on the effective date of Article XIII D of the Constitution shall be exempt from the procedures and approval process set forth in Section 4 of Article XIII D of the Constitution:~~

~~(A) Any assessment imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems, or vector control.~~

~~(B) Any assessment imposed pursuant to a petition signed by the persons owning all of the parcels subject to the assessment at the time the assessment is initially imposed.~~

~~(C) Any assessment the proceeds of which are exclusively used to repay bonded indebtedness of which the failure to pay would violate the contract impairment clause of the Constitution of the United States.~~

~~(D) Any assessment that previously received majority voter approval from the voters voting in an election on the issue of the assessment.~~

~~(2) Subsequent increases in assessments listed in paragraphs (A), (B) and (D) shall be subject to the procedures and approval process set forth in Section 4 of Article XIII D of the Constitution.~~

~~(c) For purposes of this section, the following words and phrases shall have the following meanings:~~

~~(1) "Assessments existing on the effective date of Article XIII D of the Constitution" shall mean an assessment levied by the legislative body of the agency on or before November 6, 1996.~~

~~(2) "Assessment imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems, or vector control" shall mean an assessment, or that portion of an assessment, that was designated in a report prepared in connection with the assessment to be used for the capital costs or maintenance and operation~~

1 ~~expenses for sidewalks, streets, sewers, water, flood~~  
2 ~~control, drainage systems, or vector control.~~

3 ~~(3) “Assessment imposed pursuant to a petition signed~~  
4 ~~by the persons owning all of the parcels subject to the~~  
5 ~~assessment at the time the assessment is initially~~  
6 ~~imposed” shall mean any assessment, or that portion of an~~  
7 ~~assessment, which is levied on parcels pursuant to a~~  
8 ~~petition signed by the record owners of all of the parcels~~  
9 ~~subject to an assessment, so long as the petition was~~  
10 ~~received by the agency prior to the time the assessment~~  
11 ~~was initially levied, or the time the parcels were initially~~  
12 ~~annexed into or consolidated with an existing district. For~~  
13 ~~purposes of this section, “petition” shall include any form~~  
14 ~~of written consent, including, but not limited to, the~~  
15 ~~acceptance of conditions of approval on a subdivision~~  
16 ~~map. As assessment imposed pursuant to a petition will be~~  
17 ~~deemed a “subsequent increase” if the amount proposed~~  
18 ~~to be levied exceeds the amount levied on the parcel for~~  
19 ~~the 1996-97 fiscal year.~~

20 ~~(4) “Assessment that previously received majority~~  
21 ~~voter approval from the voters voting in an election on~~  
22 ~~the issue of the assessment” shall mean any assessment, or~~  
23 ~~that portion of an assessment, which received voter~~  
24 ~~approval in an election, including an advisory election,~~  
25 ~~held on the issue of the assessment on or before July 1,~~  
26 ~~1997.~~

27 ~~(5) “Procedures and approval process set forth in~~  
28 ~~Section 4 of Article XIII D” shall mean all of the~~  
29 ~~requirements set forth in Section 4 of Article XIII D of the~~  
30 ~~Constitution, including, but not limited to, the~~  
31 ~~requirement to separate general and special benefit and~~  
32 ~~the requirement to assess parcels that are owned or used~~  
33 ~~by an agency, the State of California, or the United States~~  
34 ~~of America.~~

35 ~~(d) In cases where a portion of an existing assessment~~  
36 ~~is exclusively used for exempt purposes, and a portion is~~  
37 ~~not exclusively used for exempt purposes, the agency~~  
38 ~~may, in its discretion, do any of the following:~~

39 ~~(1) Comply with the requirements of the act and~~  
40 ~~Section 53753 for the entire assessment.~~

1     ~~(2) Comply with the requirements which would~~  
2 ~~otherwise be applicable to the portion of the assessment~~  
3 ~~exclusively used for exempt purposes, and discontinue~~  
4 ~~the levy of the portion of the assessment that is not~~  
5 ~~exclusively used for exempt purposes.~~

6     ~~(3) Comply with the requirements of Article XIII C or~~  
7 ~~Article XIII D for the portion of the assessment that is not~~  
8 ~~exclusively used for exempt purposes, and comply with~~  
9 ~~the requirements that would otherwise be applicable to~~  
10 ~~the assessments for the portion of the assessment~~  
11 ~~exclusively used for exempt purposes.~~

